

School of Accounting and Commercial Law

ACCY 232 AUDITING AND TAX

Trimester Two 2009

COURSE OUTLINE

1 NAME AND CONTACT DETAILS

The **Course Lecturers** are as follows:

	Office	Telephone	E-Mail Address
David Dunbar	RH 610	463 7422	david.dunbar@vuw.ac.nz
Tim Fairhall	RH 631	463 6709	tim.fairhall@vuw.ac.nz

The **Administrator** is Danielle Van Resseghem, Reception (RH 708), Phone direct 463 7465, or e-mail Danielle.VanResseghem@vuw.ac.nz

The Administrator should be contacted in relation to any changes to scheduled tutorial attendance and other enquiries, of an administrative nature. Uncollected and misplaced tutorial bullet-point summary enquiries should be directed to your tutor in the first instance - if unsuccessful, please see the Administrator.

Should your performance in this course in relation to any of the specified mandatory course requirements be impeded by unforeseeable events (or circumstances such as sickness, bereavement of a close relative or other such personal difficulties), you should contact the Administrator as soon as is reasonably possible. You will be required to complete a form, which will need to be approved by the course co-ordinator. **Do not delay this until the end of the course or when final results are posted.**

The **Course Co-ordinator** is David Dunbar, Room RH 610, Phone direct 463 7422, or e-mail david.dunbar@vuw.ac.nz

2 TRIMESTER DATES

Teaching Period: Monday 13 July to Friday 16 October 2009

End of Year Study Period: Monday 19 October to Monday 26 October 2009

NOTE there is NO final exam during the examination period.

Withdrawal dates: Information available via

<http://www.victoria.ac.nz/home/admisenrol/payments/withdrawalsrefunds.aspx>

NOTE THERE IS NO FINAL EXAM CONDUCTED DURING THE EXAMINATION PERIOD. SEE BELOW FOR DETAILS OF THE TESTS AND EXAMS HELD DURING THE TEACHING PERIOD.

3 CLASS TIMES AND ROOM NUMBERS

Lectures will be conducted in two streams:

1. **Stream 1 (course no 13104):** Tuesday 12.40 – 1.30pm, in RH **LT2**, Wednesday and Friday 2.40 – 3.30pm, in RH LT1.
2. **Stream 2: (course no 13105)** Monday and Wednesday 11.30am – 12.20pm, in RH LT 1, and Thursday 3.40 – 4.30pm, in RH LT1.

There will be nine tutorials held during the weeks beginning:

27 July, 3 August, 10 August, 17 August, 7 September, 21 September, 28 September, 5 October and 12 October. Tutorial groups will be determined during the first two weeks of the trimester and posted on Blackboard, and on the Notice board on the Mezzanine floor of RH at latest by 24 July 2009.

4 COURSE CONTENT

The overall objectives for this course are for successful students to be able to:

1. Research and analyse auditing and tax concepts through debate with other students
2. Evaluate ethical frameworks, case law and professional standards
3. Apply audit and tax concepts to everyday business activities.

The particular learning objectives within the auditing and tax modules are:

5 COURSE LEARNING OBJECTIVES

By the end of this course, students should be able to:

1. research and analyse auditing concepts through debate with other students;
2. research and analyse tax concepts through debate with other students;
3. evaluate ethical frameworks, case law and professional standards;
4. apply auditing concepts to everyday business activities;
5. apply tax concepts to everyday business activities.

5.1 Taxation module (6 weeks 13 July – 21 August 2009)

The following objectives will be covered during the course of the 6 week lecture programme and NOT in the following sequence.

5.1.1 New Zealand taxation (1 week equivalent study during the 6 week program)

Learning objectives: That students can:

Demonstrate an awareness of direct and indirect taxation as an instrument of fiscal policy
Demonstrate an awareness of income tax, GST, FBT, withholding taxes and imputation credits

5.1.2 Income tax (4 weeks equivalent study during the 6 week program)

Learning objectives: That students can:

1. Distinguish taxable from non-taxable income and deductible from non-deductible expenditure
2. Describe how tax-timing and tax-mis match issues arise
3. Describe the process for calculating income tax liabilities for corporate entities and
4. Individuals
5. Demonstrate an awareness of problems and solutions surrounding the different taxation rules for various taxable entities.

5.1.3 Goods and Services tax and international tax (1 week equivalent study during the 6 week program)

Learning objectives: That students can:

1. Demonstrate an awareness of the principles underlying goods and services tax
2. Demonstrate an understanding of the concepts of taxable activity, taxable person, taxable period, taxable supplies, exempt supplies and zero-rating
3. Demonstrate the calculation of goods and services tax using the invoice and cash bases, apportionment and adjustments
4. Demonstrate an awareness of the principles underlying international tax including source and residence foreign tax credits
5. Demonstrate an understanding of double tax agreements
6. Demonstrate an awareness of trans Tasman investment problems and solutions

5.2 Auditing module (6 weeks 7 September – 16 October 2009)

5.2.1 The nature and purpose of auditing (2 weeks)

Learning objectives: That students can:

1. Explain the role of auditing and other assurance services
2. Differentiate the external and internal audit roles in contributing to corporate
3. governance
4. Appreciate professional ethics, including independence and objectivity

5.2.2 The audit standards and regulators (1 week)

Learning objectives: That students can:

1. Demonstrate an awareness of International Standards of Auditing 'ISA' and NZ legislation
2. Recognise the linkage of ISA with Auditing standards commonly employed in New
3. Zealand as promulgated by NZICA and the OAG

5.2.3 The audit process (2.5 weeks)

Learning objectives: That students can:

1. Describe the key components of the external audit process
2. Recognise the importance of understanding the business being audited
3. Demonstrate an understanding of audit risk and materiality
4. Understand the auditor's reporting obligations, especially the audit opinion

5.2.4 Current audit issues (0.5 WEEKS)

Learning objectives:

That students have an appreciation of a few issues that need to be addressed by the auditing profession over coming years.

The Course Programme on the final page provides the general topics to be covered during the 6-week blocks of each lecturer and a reference to the relevant sections of the textbook.

6 COURSE DELIVERY

The course will be delivered via 3 weekly lectures for 12 weeks and 9 tutorials. At eight of the nine tutorials four or five students (depending on tutorial size) will lead the discussion on the tutorial topics.

7 EXPECTED WORKLOAD

You should expect to spend on average 12 hours per week on the course (excluding travelling time and study for the two final tests). How this time is made up will vary from week to week, but would typically comprise:

3 hours in scheduled lectures;

6 hours preparing for and participating in tutorials and completing the bullet-point summary; and,

3 hours reading for lectures, and revising lecture and tutorial notes.

Unless you keep up with the course work, you are likely to face considerable problems catching up in order to be adequately prepared for the FOUR tests.

In order to benefit from lectures you should read the relevant sections of the Course Materials Book (CMB) and the textbook relating to each lecture topic **before** the lectures.

8 GROUP WORK

Working in groups is an important component of this course. The content and expectations of tutorials is explained under Assessment Requirements below.

9 READINGS

There are many texts that provide a good explanation of the concepts that underpin auditing and tax. However, all these texts deal with these subjects in much more detail than is expected for this course. Hence we have developed a 'course specific' textbook to supplement the readings in the Course Materials Book. The textbook and the separate course materials books for tax and audit should provide sufficient background information along side the lecture and tutorial material to pass the course.

Further readings available are the International Standards on Auditing issued by the International Federation of Accountants (IFAC), which can be accessed (after registering with IFAC) free of charge

<http://www.ifac.org/Store/Details.tpl?SID=95705605132866&Cart=11339029141882171>

10 MATERIALS AND EQUIPMENT

Each of the four tests will be “open book”. Students can bring into the test room any written material, and a silent electronic calculator.

11 ASSESSMENT REQUIREMENTS

11.1 Tutorials/Bullet-point summaries

At eight of the nine tutorials four or five students (depending on the class size) will be required to lead the discussion on the tutorial topic. You will be required to lead two tutorials during the course, one on auditing and one on tax. Tutors will lead discussion at the first tutorial in the week beginning 27 July 2009 and outline their expectations of the presentations.

Tutorial groups and presentation teams will be posted on Blackboard at latest by 24 July 2009.

Except for students presenting you will be required to prepare a bullet-point solution to the tutorial topic and transfer it electronically to the designated assignment folder on *Blackboard* before Friday 12 noon of the week preceding the tutorial. Your bullet-points will not be able to be seen by other students, but they will be accessible by tutors in order to assess your preparedness for the tutorial presentation.

To assist in student learning of the tutorial topic it is suggested a copy of your solution be retained for use at the tutorial.

Up to 10 marks will be awarded for your preparation for and leading of each of the tutorial discussions in the weeks you are one of the lead presenters. There are 5 marks per presentation, assessed as 1 for preparation and coordination with the other presenter(s), 1 for confident oral expression, and 3 for strength of argument, getting discussion going with the other students and ability to debate your view.

Marks of 0 or 5 will be awarded for your participation in the tutorials where you are not presenting and the content of your bullet-point solutions. You will not receive a formal mark for your solutions, but it will be reviewed in determining your preparation for and participation in the six tutorials where you are not presenting. It is unlikely that you will be considered for the 5 participation marks if you miss handing more than one of the six bullet-point summaries.

A list of attendances by students at tutorials, along with whether there has been tutorial participation and the marks for the tutorial presentations, will be updated weekly on Blackboard. Students who have any problems with this information on Blackboard must contact their tutor before the following weeks' tutorial. Should you have good reason for not being able to attend your regular tutorial group in a week you are **not** presenting, you may attend another group, making sure you advise the alternative tutor of your details.

No publication or otherwise of the suggested solutions to tutorial topics will be given on Blackboard or distributed by tutors. Hence you will need to attend the tutorial to ensure you get the full benefit of discussion and debate on the subject material. Tutors will have notes

provided by lecturers to ensure that the presentations and the discussion in the tutorial adequately cover the topic.

Should you wish to have your mark/grade reassessed for tutorial presentations and/or participation, please complete the form on page 10 of this course outline and deliver it to the Course Co-ordinator.

Note: Your assessed work may also be used for quality assurance purposes, such as to assess the level of achievement of learning objectives as required for accreditation and audit purposes. The findings may be used to inform changes aimed at improving the quality of FCA programmes. All material used for such processes will be treated as confidential, and the outcome will not affect your grade for the course.

11.2 Final grade determination

The final grade awarded for this course will be determined on the following basis:

<i>Item of assessment</i>	<i>Marks available</i>
11.3.1 Tutorial participation	5
11.3.2 Two tutorial presentations	10
11.3.3 Tax multi choice test (60 minutes)	27
11.3.4 Tax final test (120 minutes)	58
11.3.5 Audit multi choice test (60 minutes)	27
11.3.6 Audit final test (120 minutes)	58

To pass this course, students must meet the **mandatory course requirements** (see section 14 below).

12 TESTS

There will be four tests held during the 12 weeks of teaching. There will be NO registry conducted final exam.

12.1 Tax section

1. There will be a test during the week beginning 27 July 2009. If possible the test will be held on Friday evening 31 July. Results for this test will be posted during the week beginning 10 August 2009 on Blackboard and on the designated notice board on the Mezzanine floor of Rutherford House. The content of the test will be taken from the material covered during the first two and a half weeks of lectures.
2. The final test will cover the entire course. Subject to the results of the multi choice test, the emphasis will be on the last three and a half weeks of material covered in lectures and tutorials. If possible the final test will be held on Friday evening 21 August.

12.2 Audit section

1. There will be a test during the week beginning 21 September 2009. If possible the test will be held on Friday evening 25 September. Results for this test will be posted during the week beginning 5 October 2009 on Blackboard and on the designated notice board on the Mezzanine floor of Rutherford House. The content of the test will be taken from the material covered during the first two weeks of lectures.
2. The final test will cover the entire course. Subject to the results of the multi choice test, the emphasis will be on the last four weeks of material covered in lectures and tutorials. If possible the final test will be held on Friday evening 16 October.

To pass this course, students must meet the **mandatory course requirements** (see section 14 below).

A summary of the areas expected to be covered in your answers to these tests will be posted on Blackboard.

13 PENALTIES

Should you fail to submit five of the six bullet-point summaries where you are not presenting by the due time, without good cause approved by the Course Co-ordinator, you will almost certainly forfeit the 5 marks for tutorial participation.

14 MANDATORY COURSE REQUIREMENTS

In order to pass this course, a student must meet the mandatory course requirements. To meet the mandatory course requirements you must:

1. Deliver two tutorial presentations;
2. Sit the two multi choice tests and the two written tests;
3. Obtain at least 38 of the 85 marks available from the mid-term test and final test for **BOTH** the audit and tax component of the course;
4. Attend at least eight of the nine tutorials.

Failure to meet mandatory course requirements will mean the student will not pass the course and will receive either, a K, D or E grade, depending on whether you achieve greater or lesser than 50% of the total marks available in the course.

15 COMMUNICATION OF ADDITIONAL INFORMATION

Any additional information provided during lectures or information on changes to any aspects of the course will be conveyed to students through Blackboard announcements.

16 FOR THE FOLLOWING IMPORTANT INFORMATION FOLLOW THE LINKS PROVIDED

16.1 Academic Integrity and Plagiarism

<http://www.victoria.ac.nz/home/study/plagiarism.aspx>

16.2 General University Policies and Statutes

<http://www.victoria.ac.nz/home/about/policy/academic.aspx>

16.3 Faculty of Commerce and Administration Offices

<http://www.victoria.ac.nz/fca/studenthelp/Contactus.aspx>

16.4 Manaaki Pihipihinga Programme

http://www.victoria.ac.nz/st_services/mentoring/

17 LECTURE TOPICS

The course will be lectured in 2 blocks of six weeks. The first block will be tax and the second block will be audit. The topic outline below is indicative only, albeit that the topics will be covered during the six-week period.

Week beginning	Topic	Lecturer	Textbook pages
13 July	New Zealand tax system, Income, business income	David Dunbar	1 – 11
20 July	personal property, Land sales	David Dunbar	12 – 122
27 July	deductions general and specific, entity taxation	David Dunbar	28 – 42
3 August	trust taxation, tax avoidance	David Dunbar	43 – 51
10 August	Tax planning	David Dunbar	52 – 62
17 August	International tax, GST	David Dunbar	66 – 83
7 September	What are Assurance Services? What is an audit?	Tim Fairhall	1 – 17; 53 – 56
14 September	Corporate governance, professional ethics, and independence	Tim Fairhall	39 – 41; 75 – 79 80 – 83; 89 – 105
21 September	The audit standards and regulators	Tim Fairhall	44 – 50; 73 – 74
28 September	The audit process, including understanding the business	Tim Fairhall	41 – 44; 146
5 October	Materiality and risk judgment	Tim Fairhall	131 – 136; 139 – 145; 149 – 161
12 October	The auditor's reporting obligation and current audit issues	Tim Fairhall	64 – 70; 80; 84 – 86; 448 – 462

DETAILED TUTORIAL SIGN-UP INSTRUCTIONS

1. Go to the signup website at: <https://signups.victoria.ac.nz>
2. Enter your SCS username and password to login the system.
3. The "Signup Home" page opens. It displays all courses you are enrolled for and that use the S-Cubed Tutorial & Workshop Signup system. Click on the course you wish to sign up for.
4. The selected course page opens. It will show the course contact and brief details of the signup instructions. A "key" is provided at the bottom that explains all buttons and what they do.
5. The schedule of tutorials includes the day/time, location, maximum group size, and spaces left in the tutorial sessions.
6. If there are spaces left in a particular session, you will see the "ENROL" button next to it. You can click this button to enrol yourself into that tutorial session.
7. If there are NO more spaces left in a particular session, you will see the "JOIN WAITLIST" button, if available. You can click this button to join the waitlist for that tutorial session. Please note that you will be removed from any other waitlist you may have joined earlier. If somebody withdraws from this session, you will automatically be moved up the waitlist or enrolled into the session. In this case you are enrolled in the session; an email will be sent to you if you are enrolled into the session from a waitlist.
8. You can only "JOIN WAITLIST" if you have already enrolled in one of the other available sessions. In other words, "ENROL" in one session and then you can choose to join the waitlist for another preferred session.
9. You can choose to "WITHDRAW" from a session you have already enrolled for. You can also choose to "CANCEL WAITLIST" to remove yourself from a particular waitlist.
10. A "FULL" button indicates all seats and waitlist are full for that tutorial session. You must choose another session.
11. More details on the various buttons are available in the "Key" section at the bottom of the signup page.
12. You should "ENROL" in only ONE tutorial session and may "JOIN WAITLIST" for only ONE other tutorial session.
13. You can login and signup (or change your signup) anytime before the **closing date of the tutorial signup. You will NOT be able to sign up or change your choice after the tutorial signups have closed.**
14. You can view/confirm details of the sessions you are enrolled and waitlisted for, such as day/time and location by clicking on "My Signups" on the left hand menu.
15. Click on "Support" on the left hand menu if you are having problems.

This online signup system is available around the clock over the internet. Any requests after this date will need to be manually handled by the course administrator. You will need to submit a written application stating the reason why you were not able to sign up on time using the online system, along with other relevant documentation such as medical certificate etc.

Finally, **you must always attend the tutorial sessions that you have signed up for.** If you attend a different session, your attendance may not be recorded.

